

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of all documents necessary to implement settlement of the claim brought in Greensun Group LLC v. City of Bellevue (King County Superior Court Cause No. 14-2-29863-3SEA).

Kathryn Gerla, City Attorney, 452-7220
Cheryl Zakrzewski, Assistant City Attorney, 452-2081
City Attorney's Office

EXECUTIVE SUMMARY

This Resolution authorizes settlement of the claim of tortious interference with a business expectancy brought by Greensun Group LLC arising out of its intent to open a retail marijuana business in Bellevue in 2014.

RECOMMENDATION

Move to adopt Resolution No. 9907

BACKGROUND/ANALYSIS

This case involves a claim by Greensun that the City had tortiously interfered with Greensun's ability to open a retail marijuana store on Main Street in 2014 when the City enforced its zoning restrictions and determined that another retail marijuana business had received its marijuana retail license first from the Washington State Liquor and Cannabis Board. Greensun claimed that it had been unable to find an alternative location to open a retail marijuana business in Bellevue and that it lost both profits and business equity when it was unable to open a retail marijuana store on Main Street. The settlement of the claim brought by Greensun against the City requires a payment of \$3,400,000. Of that sum, the City will contribute \$1,400,000 to satisfy its self-insured retention, and the City's insurance carrier will contribute the remainder of \$2,000,000.

POLICY & FISCAL IMPACTS**Policy Impact**

Pursuant to Bellevue City Code 4.36.030, settlement and payment of claims exceeding \$75,000 requires the authorization of the City Council.

Fiscal Impact

The settlement of the claim brought by Greensun requires a payment of \$1,400,000 to satisfy the City's self-insured retention. Sufficient funds exist within the City's 2021-2022 Budget for this payment.

OPTIONS

1. Adopt the Resolution authorizing execution of all documents necessary to implement settlement of the claim brought in Greensun Group LLC v. City of Bellevue (King County Superior Court Cause No. 14-2-29863-3SEA).

2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9907

AVAILABLE IN COUNCIL LIBRARY

Copy of the proposed Settlement Agreement and Release